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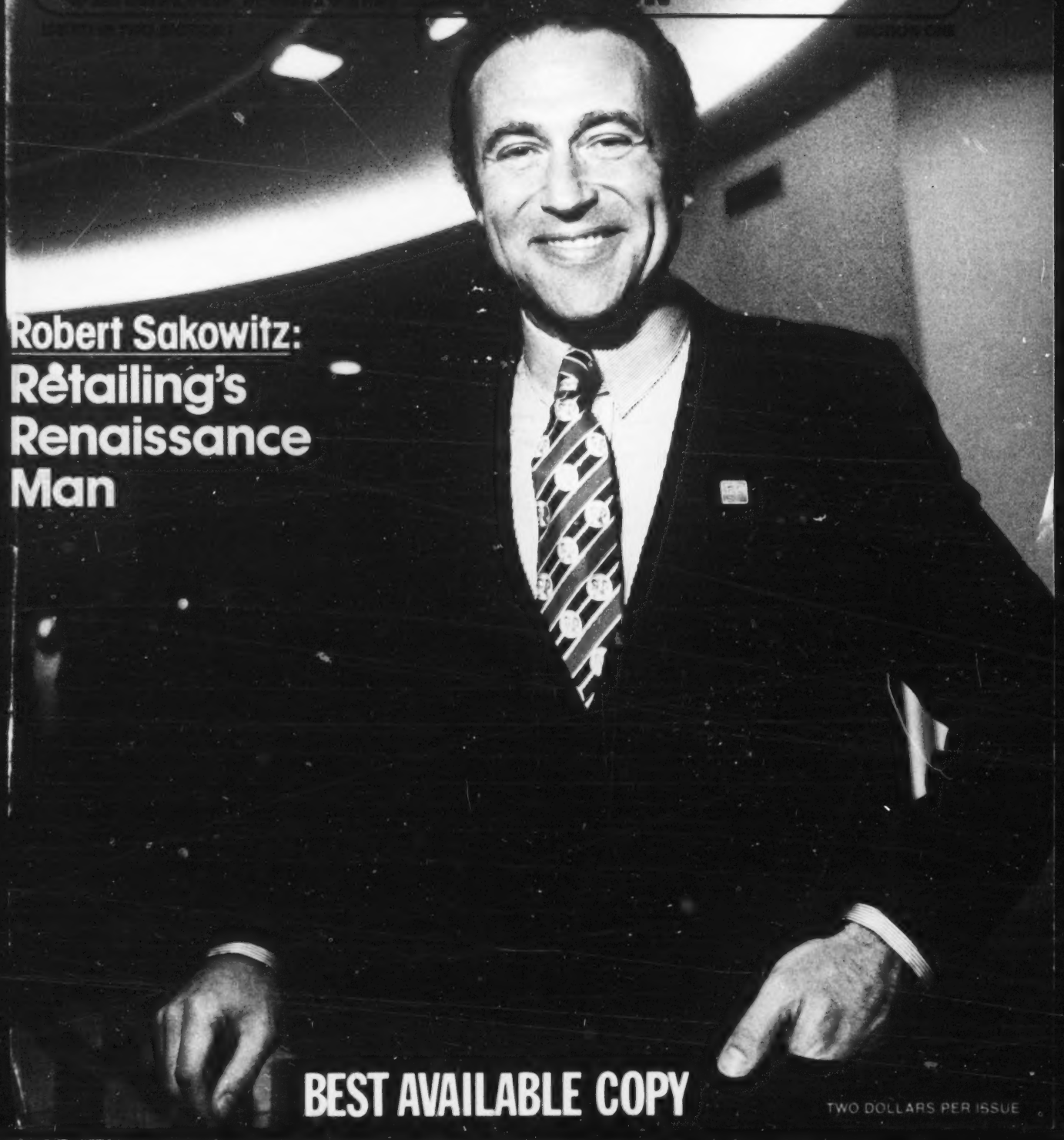
Zayre looks to the future

Juvenile products: profits in babeland

Chain Store Age

GENERAL MERCHANDISE EDITION October



Robert Sakowitz: Retailing's Renaissance Man

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TWO DOLLARS PER ISSUE

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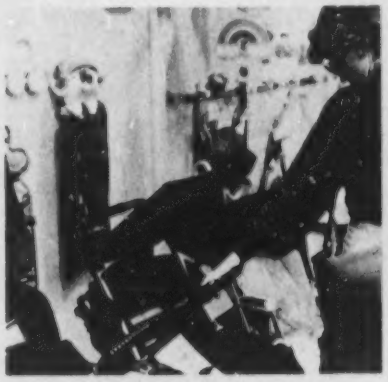

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ways keeps on playing."

Basic fantasy games like Dungeons and Dragons seem to appeal to kids age 10 and over, while older teens stick to science fiction offerings. War games are still definitely part of the adult market, but retailers hope the younger hobby players will develop an interest in adventure gaming that will keep them playing for many years.

"When a person buys a basic Dungeons and Dragons set, it costs about $12," says Dieter Sturm, spokesman for TSR Inc. "If he becomes a hobby player, we've found he will spend an average of $75 within the first six months for accessories."

"Dungeons and Dragons is fantastic," says Mary Beth Benore, buyer for Hobby Center Toys, a 23-store specialty chain headquartered in Ohio. "It far outsells any other game we have in stock—adventure, family or board. We see nice growth in the area and have expanded sku's, but the really nice thing is the repeat business. We sell a lot of add-ons."

This peripheral business is probably going to specialty stores rather than to mass merchandisers. While many of the big chains like K mart and J. C. Penney carry only the basic pieces from the adventure game lines, hobby specialists carry more complete assortments and, according to industry figures, account for about 30% of the total business.

This direction may be reversed as major chains build up the whole category and with the introduction of new merchandise lines. With the increasing popularity of figures like G.I. Joe and Masters of the Universe, the timing is perfect for fantasy-based action figures, a tie-in for children who are still too young to get involved with the intricacies of playing the games, yet like the creatures. "Let's face it, kids love monsters," says the Midwestern chain buyer.

Toys "R" Us has just increased its commitment to the entire adventure game category. Along with basic sets ($9) and books like "Monster Manual" ($8.94) and the "Dragon Master Guide" ($10.94), the toy supermarket has started to show the 6-in. and 3½-in. fantasy figures blister-packed and displayed on pegs (the larger figures are $4.97, the smaller are $2.68). On the package, each figure is designated as good or evil along with additional character information: "Ogres are thoroughly evil and can usually be found with other evil monsters," one package reports. □

CONSUMER ELECTRONICS

Computer kids seek learning software

Since sales of home computers took off like a proverbial rocket in 1982, educational uses by children have been one of the most important reasons cited for buying a computer. But up to now, once the consoles were set up, the prime use has been playing video games.

This game-playing trend may be on the verge of changing.

Distributors and manufacturers say they see a burgeoning demand for high-quality educational programs and learning games aimed at young children. This year, sales projections for educational programs range from $160 million to more than $200 million, possibly 18% of the total software market. In some stores, educational lines represent as much as 26% of their software mix.

For educational software to reach its projected sales level, it will have to be heavily merchandised

But for most retailers, educational software appears to be an iffy category right now. "It's going to be an extremely important part of our business. There's absolutely no question about that," says the senior electronics buyer for a major Southern discount chain. "The question is 'when?' "

GMers across the country echo this wariness about timing. Too many have been caught with the wrong programs, particularly in video games, over the past three years. Following last Christmas' debacle of heavy commitments to highly touted games like "Raiders of the Lost Ark" and "E.T.," which failed to move off the shelves and consequently cost chains millions of dollars, there is growing hesitancy to commit inventory dollars to *any* computer program that hasn't proven itself.

***Young children** are the target audience for high-quality educational programs.*

And developing a track record is tough for all but the hottest-selling items. The average sales life cycle for a top-rated video game lasts only 17 weeks to six months. Educational software, on the other hand, takes considerably longer to catch on, but then can remain a steady seller for years, according to manufacturers. A spokesman for Spinnaker Software, touted as the largest third-party maker of learning games, says top-notch educational games "have a shelf life of years."

This extended sales period for educational programs will be a blessing for retailers. With most computer consoles selling for less than 15% above cost, and deep price-slashing

Intended and actual use don't always jibe

Even "serious" computer purchasers are playing games on the machines they bought for other purposes.

In a recent Consumers Union survey of those who bought home computers more than a year ago, only those purchasers who intended to use their machines for word processing or video game-playing actually ended up using them mainly for those purposes.

While 41% of purchasers said they bought their computers for general education, only 34% used them for that purpose—a 17.1% decline. Telecommunications with a separate data base showed the widest difference between intended and actual use: A full 25% fewer people used the system for that purpose.

Application	Intended use	Actual use	Difference
Game-playing	65%	69%	+ 6.2%
Learning about computers	68	63	– 7.4
Word processing	58	59	+ 1.7
Home accounting	58	45	–22.4
Telecommunications	32	24	–25.0
General education	41	34	–17.1

Source: Consumers Union

of video games once they have passed their prime, buyers are searching for product lines that can provide high gross margins to balance out their departments' bottom lines. Retailers say educational programs can carry margins in the 40%-45% range.

But for educational software to reach its projected sales level of $1.59 billion by 1990, retailers, manufacturers and distributors will have to merchandise the products. "It's not like video games where word-of-mouth advertising does most of the work," says a Texas department store merchandise manager. "We're going to have to follow traditional paths to sell this kind of program."

Stuart Schaefer, vp of The Handleman Company, a major distributor and rack jobber of software, agrees. "Selling educational software is going to require stand-out merchandising in the store, good packaging and heavy advertising aimed at the parents," he says.

Separating the three main categories of software—entertainment, educational and business/productivity—is already being done by some mass merchandisers. But for most, titles are still being shelved alphabetically.

Scholastic Inc., makers of the Wizware line, have taken the next step and created a freestanding modular rack for their titles. "And we'll work with the retailer in designing displays for his stores," says Scholastic vp Bruce Butterfield.

At the same time GMers accept the need to merchandise educational software in its own area, space and personnel limitations are forcing many of them to continue using edge-to-edge pegboard displays or cramming titles into bookshelf-type units. □

SPORTING GOODS

Tot seats add on accessory sales

The familiar plastic baby seats on the back of bicycles are seen more and more frequently on the streets across America, a reflection of two major trends—the mini baby boom of the past five years and the increased interest in health and fitness.

Biking is a popular mode of exercise, relaxation and transportation. In a 1982 study, A. C. Nielsen reported that biking was the second most popular participation sport, second only to swimming with over 72 million participants.

About 10 years ago, however, bike child carriers—most of which were imported—were little more than wire basket seats with little or no protective equipment. Today's child seats are products of advances in manufacturing and an increased concern for safety, and about 70% of the seats are domestically produced.

While bicycles are covered by the Consumer Product Safety Act—among other things they must be tested for sharp points, uncovered screws, surface coating materials and use and abuse—no specific standards govern baby seats.

A spokesman for the Consumer Product Safety Commission says that if a hazard exists with a carrier, it does have the authority to recall the product. "We've tried to get standards into a law, but to get everyone to agree on standards can sometimes take years," he explains. "Right now we have voluntary guidelines, as all bike accessories must generally conform to the same standards as bikes. We think we have forced the junk off the market."

With the birth rate and bike sales increasing—industry shipments are 22% ahead for the first six months of '83 compared to the previous year—accessory sales are also enjoying healthy increases. A *CSA*/Leo Shapiro & Associates consumer study showed that shoppers aged 30-34 (the percentage of women over 30 having their first child jumped from 4% in 1971 to 8.5% in '80) comprised the largest segment of the potential bicycle-buying public. In addition, households with one or two children represented a quarter of the market, indicating a large consumer pool available for bikes and, because they go hand in hand, accessories.

"Our bike sales have been very good this year," says a K mart spokesman. "With these increases we've also seen an increase in child carriers. We regard the carrier as a good accessory item, but stock only one sku."

"Child carriers are a staple," says a Penney store source. "We always

About 70% of today's child car seats are domestically produced.

have at least one model on hand and several available through the catalog."

For bike specialty shops, the carrier business can be an important one, an add-on sale offering margins as high as 50%. Prices range from $25 to $35, but a top-line seat with all available features can jump to $55. The newest development is the padded grab bar, which helps keep the child securely in place and gives him something to do with his hands. "It's a psychological thing as well as a safety factor," says Buford Carpenter, general manager of Troxel, a carrier manufacturer. "And it's a further step in enclosing the child effectively to keep him from injury."

"Parents are concerned with the safety aspects of the seat," says a buyer for a California specialty chain with sales of $1 million. "The important features are high back, padded grab bar and quick release. People are coming in with younger kids, but I think a child should be at least 1 year old before putting him into a seat."

Most seats come with a safety warning on the package limiting them to children weighing 40 lb., but there is no age or height grading on the packaging.

With many advances already made in child carrier safety, the next step seems to be to make them more fashionable, too. "When the products were first made," says Morrie Bishaf, president of All American Products, "someone decided to make them yellow as a safety feature, thinking this was a highly visible color. Now we see a demand for different colors and make them in ivory, tan and red as well as in the familiar yellow." □

TOYS

Name brand sells preschool lines

Even during the recession, quality goods tended to outperform questionable grade merchandise. But eventually, spiraling prices caught up with quality perceptions, dampening sales.

For example, retailers believe Fisher-Price, the recognized leader in preschool toys, makes a quality product. But they lament that it also tends to be the most expensive line. "They priced themselves right out of the picture," says Tom Castle, buyer for The Broadway. "It was hard to sell their products even though they were so good."

Nevertheless, most retailers say Fisher-Price dominates their shelves, representing 30%-35% of the preschool mix. But there has been some pruning. "We started to de-emphasize the line four years ago when Fisher-Price had two price increases in one year," says a spokesman for Ammar's, a 13-store discounter headquartered in Virginia. "Before, the line had represented close to 45% of our sku's." Now the discounter says his mix is more in line with industry averages, and adds that although his unit sales have decreased, his dollar volume in Fisher-Price has remained constant.

Catalog showroom giant Service Merchandise decreased its Fisher-Price presentation this year, but as part of a total consolidation within the toy area. "We were generally over-sku'ed," says a spokesman.

Not all retailers have cooled to this line, however. Even with high prices, consumer recognition makes it an integral part of any toy mix.

Preschool sales hit five-year low

Year	Preschool population (000 omitted)	Preschool sales at retail (000 omitted)	Average dollar amount spent per child
1978	19,269	$609,269	$31.62
1979	19,626	644,648	32.85
1980	20,078	669,129	33.33
1981	20,569	706,840	34.36
1982	21,116	733,799	34.91

Source: CSA research

"We've even increased our commitment to Fisher-Price over the past five years," says Richway buyer Randy Cohn, "because of our image of carrying name brands. No other manufacturer has a larger representation on our shelves."

Industry battered: Last year it didn't matter whose name was on the package. The toy industry was battered by price resistance, coupled with the tremendous demand for electronics and video games, the recession and high unemployment. While always considered to be insulated from the electronic/video game onslaught, sales for the infant/preschool category actually de-

Many retailers are beefing up their once-neglected infant and preschool toy departments.

clined from $705.8 million in 1981 to $633.8 million last year. At the same time, video game volume increased 106.7% from $1.5 billion in '81 to $3.1 billion in '82.

In fact, based on the total preschool population and retail sales in this category, the average amount spent per child in the United States in '82 was $30.01, the lowest figure in five years.

"Family budgets got stretched too thin last year," says a toy industry source, "so parents didn't purchase new toys. Maybe they bought the older child in the family a computer or video game, and this became the family gift. A lot of retailers put their open to buy into electronics, too, which meant fewer dollars into traditional toys."

Suppliers learned a lesson last year, and many went to Toy Fair '83 with a renewed commitment to improving sales by either reducing or holding the line on their prices. Both Fisher-Price and Child Guidance report they have rolled back prices on some items.

So far these efforts to win back the business seem to be paying off. The improved economic picture, the diminishing appeal of video and the increasing birth rate all have reinforced the general recovery. "Preschool is generally good after a recession," says Fisher-Price spokesman Ed Powderly. "Parents are ready to come back to the basics and buy things they were forced to do without for themselves and their kids."

"Traditional toys are doing well now," says Harold Vogel, industry analyst for Merrill Lynch. "It should be a good growth year for toy companies once again, but you must look at just the traditional toy business. Mattel, for example, is having a record year in toys, but electronics is bleeding them dry."

Fisher-Price dominates most retailers' shelves, representing 30%-35% of the preschool mix

Retailers are also feeling the effect of increased toy sales, and many are beefing up their neglected infant and preschool departments. Montgomery Ward is expanding its entire toy business so it will have a strong year-round presence instead of just a fourth-quarter push. Part of the reason is the increased pool of mini-consumers available as the preschool population continues to grow.

Within the general preschool heading are two categories—infants and 2- to 6-year-olds. Most manufacturers use different packaging to subtly differentiate between them. Retailers also tend to merchandise the categories separately.

At Toys "R" Us, the opening preschool wall starts with inexpensive pegged toys—rattles, teethers—then shows the main brands of boxed infant toys with each manufacturer's products grouped together. Preschool toys follow, displayed similarly by manufacturer. A parent can walk in and easily find a selection of brand name toys as well as a smaller selection of lesser-known brands.

At Child World/Children's Palace, the category is displayed with preschool leading into infants, which easily makes a transition into infant furniture and accessories. Both toy supermarket chains utilize floor-to-ceiling displays, using the top shelves for additional storage.

Neither toy chain devotes as much space to infants as to preschool, but some stores are moving

Plush toys are still perennial favorites with the younger set.

in the opposite direction. At The Broadway, the infants' toy area is being beefed up while sku's are reduced in preschool. "Naturally, as the population grows older, we'll have to readjust our assortments. But for the moment, we see the bulk of our business in infants," says buyer Castle.

Brand name loyalty: Fisher-Price is still the most widely recognized name in the business, and retailers agree that a strong presentation is necessary. The company has the most facings in both Toys "R" Us and Child World. "Mothers who played with a particular toy come in looking for it," says Montgomery Ward buyer Gordon Maxson. "There's always a strong demand for the leading brand names."

This brand name loyalty is extremely important to toy sales, and most manufacturers advertise to the parents, trying to underscore the name brand awareness. The consumer is bombarded with names: Playskool, Hasbro, Mattel, Tomy and Child Guidance, to name a few, are out to create strong consumer familiarity. Shoppers tend to develop certain expectations of what a toy from a certain manufacturer should be.

This year Child Guidance plans to advertise product categories as well as individual items to reinforce its name. "Advertising aimed at kids can create almost a fad effect," says Child Guidance spokesman Alan Blum. "This can be good in the short term, but it doesn't encourage long-term growth."

The company will also offer substantial rebates during the fourth quarter, from $1.50 on the Busy Box (about $15 at retail) to $15 on Clip Clop the Wonder Horse (about $70 at retail). "We have a surprisingly high response to rebates, especially as the retail of the product goes up," says Blum.

Toy manufacturers feel that the increasingly older and better-educated new parents—and especially the large percentage of working women—are more aware of the importance of quality and how toys can positively affect a baby's growth and development at an early age.

"Customers ask for toys by brand name," says Mary Beth Benore, buyer for Hobby Center Toys, a 23-store specialty toy chain. "This is especially true with new parents and grandparents, when only the best will do."

"Although there's always room on the shelves for a well-made toy," says a spokesman for G. C. Murphy, "brand names are important. We usually use a logo in our advertising, and we display toys by manufacturer to help the customer find his selection."

With the baby boomlet expected to continue through at least the coming two years, toy manufacturers and retailers are optimistic about increased sales opportunities. "For the future, it's important to watch changes in lifestyle and try to develop products that go with these changes," says Powderly.

Since it takes at least two years to go through all the stages of testing and refining before a toy reaches the consumer, manufacturers are under the gun to keep ahead of trends. "Kids today are more sophisticated," says Castle. "With their increased exposure to technology, we have to keep up with them. For example, does a 6-year-old kid really want a plastic phonograph or does he already want a stereo?" □

Quality products dampen repeat sales

One complaint of infant and preschool toy buyers is that there have been no real innovations in the category. The most popular items have been at the top of the charts for years and have become almost trademarks of the various manufacturers.

Fisher-Price has Rock-A-Stack and radios. Playskool is widely known for its mail box and pounding bench. Child Guidance is associated with the Busy Box. "The toy manufacturers have expanded on the sameness instead of developing new concepts," says a buyer for a West Coast department store.

With little new on the market, there's no reason to buy more toys when the old ones are just as good

While the quality name sells the product, it also works against repeat sales. One of these toys, purchased for a first child, lasts so well it isn't necessary to buy another for additional siblings. And with little new on the market, there's no reason to buy additional toys when the old ones are just as good.

One new development has been the recent toy offerings from Johnson & Johnson. "None of their entries are similar to other companies," says Tom Castle, buyer for The Broadway. "And they use sound and movement effectively to interest the child."

Johnson & Johnson joined the retail toy market in 1980 with infant toys but has since added to the line with toys for children up to age 4.

"We're not in the toy business, but the child development business," says Paul Boorujy, vp/gmm child development for Johnson &

Big 3 flex muscles; Allied, ADG head profit parade

	2nd quarter (000 omitted)			1st half (000 omitted)		
	'82	'83	% change	'82	'83	% change
Penney[3]	$ 61,000	$ 55,000	– 9.8	$116,000	$113,000	– 2.6
Sears[1,2]	80,500	124,500	+ 54.7	63,400	111,700	+ 76.2
Ward	(27,000)	4,600	—	(71,000)	(15,000)	—
Subtotal	114,500	183,500	+ 60.3	108,400	209,700	+ 93.5
K mart	60,700	117,700	+ 93.9	66,500	162,300	+144.1
G. C. Murphy	1,895	4,675	+146.7	1,958	6,377	+225.7
Rose's	1,048	4,848	+362.6	2,463	7,859	+219.1
SCOA[1] (Hills)	2,435	3,785	+ 55.4	3,349	3,388	+ 1.2
Wal-Mart	23,763	41,475	+ 74.5	41,947	68,978	+ 64.4
Woolworth[1,2]	3,000	16,000	+433.3	(2,000)	17,000	—
Zayre	2,563	8,894	+247.0	4,595	15,569	+238.8
Subtotal	95,404	197,377	+106.9	118,812	281,471	+136.9
Allied	5,093	16,087	+215.9	7,462	29,176	+291.0
Associated Dry Goods	5,244	17,407	+231.9	5,713	20,816	+264.4
Carter Hawley Hale	1,735	4,670	+169.2	7,012	10,875	+ 55.1
Dayton Hudson[3]	26,310	35,254	+ 34.0	42,794	56,962	+ 33.2
Federated	21,500	40,600	+ 88.8	50,600	83,600	+ 65.2
May Co.	20,560	30,961	+ 50.6	32,105	51,235	+ 59.6
Mercantile	10,220	12,347	+ 20.8	18,992	24,239	+ 27.6
Subtotal	90,662	158,046	+ 74.3	164,678	276,923	+ 68.2
Cole National	450	931	+106.9	(465)	450	—
Oshman's	1,291	2,035	+ 57.6	1,970	1,021	+ 92.9
Toys "R" Us	4,431	7,113	+ 60.5	6,947	12,470	+ 79.5
Subtotal	6,172	10,079	+ 63.3	8,452	13,941	+ 64.9
The Gap	811	1,658	+104.4	1,374	3,353	+144.0
The Limited	5,225	15,768	+201.8	9,497	25,673	+170.3
Miller Wohl	2,705	3,181	+ 17.6	7,034	6,866	– 2.4
Subtotal	8,741	20,607	+135.8	17,905	35,892	+100.5
Total	315,479	569,609	+ 80.6	418,247	817,927	+ 95.6

[1]Consolidated operations only. [2]U.S. merchandising only. [3]Continuing operations only. ( )indicates loss. Source: *CSA* research

National chains follow recovery's lead

Profits for the nation's retailers continued to follow the path blazed by a strong economic recovery. Profits were up 80.6% in the second quarter for the 23 chains tracked by *CSA*. For the first half earnings were up 95.6%. The latest results, however, are in comparison with weak earnings reports during the same period in 1982. Profits for the 23 chains were up only 7.7% in last year's second quarter.

Nevertheless, there was a continuation of encouraging earnings trends among the nation's largest retailers. Sears second-quarter profits were up 54.7% (76.2% for the half) from $80.5 million in 1982 to $124.5 million. K mart, the nation's second-largest retailer, continued its own economic rebound with a 94% earnings hike (144.1% for the half) from $60.7 million in 1982 to $117.7 million.

Even troubled Montgomery Ward posted a second-quarter profit—$4 million compared with a $27 million loss during the same period in 1982.

Among retailing groups, the specialty apparel chains paced the second-quarter profit jump with a 135.8% increase (led by The Limited, which reported a 202% earnings hike). The seven variety discount chains, led by Woolworth and Hendersonville, N.C.-based Rose's, followed with a 106.9% earnings increase. The Big 3 chains finished last among the five retailing segments with a 60.3% second-quarter profits increase.

Record debut for Brannam unit

The August opening of an Atlanta J. Brannam store was "the most successful" in the 4-year-old chain's history, says a company spokesman. About 5,000 shoppers visited the 25,000-sq.-ft. store on opening day—three times the average turnout, says one chain insider.

A saturation ad campaign, the merchandise (featuring Izod and Ralph Lauren, to name a few) and the Abernathy Square Shopping Center location (about 175,000 cars pass by each day) were credited for the record showing.

This success, however, doesn't spell smooth sailing for Brannam.

***Discounted brand name** lines contributed to opening day success.*

Industry observers point out that off-price openings generally create a stir and that staying power will be harder to establish in the already off-price saturated Atlanta market. As one former Woolworth topsider warns, "Brannam has to make it within the next two years or it's not going to make it at all" as the off-price industry grows rapidly.

Brannam sales soared 49.1% last year, but net income slumped to a loss of $5 million in a year ripe for off-price stores. (Brannam has yet to show a year-end profit.) Topsiders are hoping the more upscale prototype will reverse the chain's fortunes.

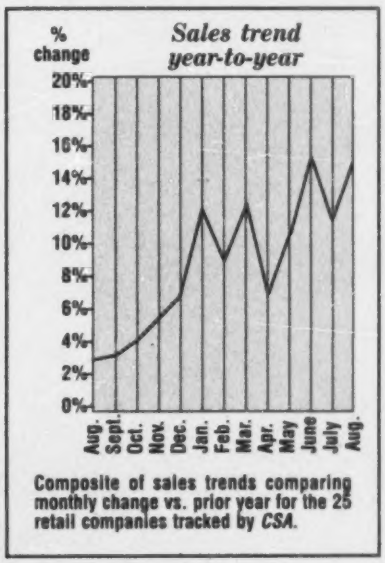
Atlanta could be the start. The August opening is the second Brannam in the market—an area store officials envision as a six-unit market. Two more stores will open in Atlanta by next spring, they report.

Back-to-school boosts sales to steamy high

Prior to the release of August's retail sales results, some predicted that consumers were tempering their post-recession spending ways. They should have waited for the official returns: Sales for the 25 chains tracked by *CSA* were up 15.2%—the second highest percentage increase this year.

While the August results were overstated because of poor August 1982 sales, retailers were encouraged as they moved closer to the crucial Christmas shopping season.

Improved back-to-school sales helped volume.



Composite of sales trends comparing monthly change vs. prior year for the 25 retail companies tracked by *CSA*.

K mart reported a 15.6% same-store sales increase due "largely to the brisk movement of back-to-school goods," Bernard Fauber, the discounter's chairman, said. "School supplies and fall clothing sold well, and our customers began buying back-to-school merchandise earlier this year than last."

K mart's overall sales were up 16.3%, the chain's largest monthly sales hike since January 1982, officials said.

The nation's department stores also recorded strong August volume increases. Carter Hawley Hale's department store division logged a 19.7% same-store sales hike, while its overall operations were up 16.1% on a comparable-store basis. New York-based R. H. Macy reported a 15.1% same-store hike with comparable stores up 16.7% so far this year. Total sales were up 18%, from $232.1 million in 1982 to $273.9 million.

Among discounters, Bentonville, Ark.-based Wal-Mart's same-store sales rose 15% (14% for the year). And Braintree, Mass.-based Bradlees' same-store sales were up 10%.

The nation's Big 3 catalog chains notched modest sales increases in August. Sears continued to profit from a big-ticket durable surge while logging a 7.3% sales hike for its domestic operations. Meanwhile, J. C. Penney's sales—*excluding* its discontinued hard lines departments—were up 7.3%, paced by junior sportswear, women's outerwear, home computers and telephones.

Spending keeps sales from going to the dogs

Major chains	August sales* % change	August sales* 1983	August sales* 1982	Stores 1983	Stores 1982	7-mo. sales 1983	7-mo. sales 1982	7-mo. sales % change
Sears[1]	+20.0	1,847,584	1,539,308	818	847	12,060,538	10,861,784	+11.0
Penney	+ 5.2	868,000	825,000	2,034	2,059	5,350,000	5,186,000	+ 3.2
Ward[1]	+ 5.9	433,853	409,629	376	388	3,049,170	2,930,350	+ 4.0
Federated[2]	+ 9.4	516,100	471,900	529	474	3,591,500	3,166,900	+13.4
Dayton Hudson	+21.6	515,514	423,949	1,052	928	3,355,157	2,728,114	+23.0
May Dept. Stores	+14.3	298,700	261,300	1,530	1,347	2,062,500	1,787,800	+15.4
R. H. Macy	+18.0	273,900	232,100	92	91	1,863,400	1,572,800	+18.5
Allied Stores	+12.1	249,300	222,300	556	527	1,809,900	1,577,900	+14.7
Carter Hawley Hale	+20.8	240,000	198,700	1,060	988	1,732,600	1,486,300	+16.6
Associated Dry Goods	+22.0	251,900	206,500	319	N/A	1,768,000	1,522,000	+16.2
Mercantile	+11.1	127,807	114,993	86	83	799,916	702,717	+13.8
K mart	+16.3	1,380,873	1,187,723	2,136	2,089	9,995,593	8,941,060	+11.8
Woolworth	+ 8.5	414,307	381,781	N/A	N/A	2,820,568	2,677,148	+ 5.4
Wal-Mart	+40.8	397,000	282,000	610	520	2,351,000	1,736,000	+35.0
Household Merch.[2,3,5]	- 4.0	235,661	245,403	3,667	3,769	1,554,765	1,620,243	- 4.0
T.G. & Y.	- 8.4	160,481	175,168	834	927	1,068,555	1,128,376	- 5.3
Zayre[4]	+17.7	199,522	169,580	697	609	1,291,768	1,084,718	+19.1
Bradlees	+45.8	93,600	64,200	123	98	537,800	401,900	+33.8
Murphy	+ 6.4	59,714	56,112	409	427	451,749	445,362	+ 1.4
Rose's	+29.5	76,002	58,707	243	237	433,099	352,658	+22.8
Heck's	- 3.4	36,500	37,800	121	119	256,700	232,900	+10.2
Jamesway	+17.2	31,965	27,265	77	68	210,724	170,362	+23.7
Melville	+15.9	318,771	274,954	5,673	5,377	2,198,643	1,864,515	+17.9
Tandy	+15.3	205,816	178,431	N/A	N/A	1,361,802	1,152,755	+18.1
Edison Bros.	+ 9.6	79,174	72,227	2,162	2,129	618,816	561,077	+10.3
The Gap	+ 3.7	53,500	51,600	562	541	232,400	221,700	+ 4.8
Totals & Averages	+15.2	9,205,063	7,993,512	—	—	61,758,108	54,985,063	+12.3

*000 omitted. N.C. = no change. N/A = not available.
[1]Store number for full-line outlets only. [2]Includes 2,828 franchise stores (vs. 2,834 a year ago). [3]Includes T.G. & Y. sales. [4]Includes 271 Zayre stores (vs. 265 a year ago), 321 Hit or Miss stores (vs. 265) and 105 T. J. Maxx stores (vs. 79). [5]Excludes supermarket sales.

Chains outpace stock market price hikes

The average stock price of retail chains in the first quarter significantly outpaced the stock market as a whole, according to a July report authored by Fred Wintzer Jr., a Lehman Brothers Kuhn Loeb retail analyst.

For the three months ended June 30, Wintzer reported, "The stock price of the average publicly held retailer increased 22.2% while the market advanced only 10.7%." Apparel chains led the retail group with a 41.8% quarterly stock increase, followed by furniture stores (34.5%) discounters (31.5%) and drug store chains (24.2%).

Over a three-year period, Wintzer said, retailers' stock jumped 266.4% while the market was up 48% during the same period.